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TO RUEHC/SECSTATE WASHDC PRIORITY 3901
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE PRIORITY
RUEAWJA/DEPT OF JUSTICE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

UNCLAS KUWAIT 000882

SIPDIS

NEA/ARP, TREASURY TO PASS TO FINCEN

E.O. 12958: N/A

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SUBJECT: GOK REQUESTS PARTICIPATION AT AML CONFERENCE

11. (U) This is an Action Request. Please see paragraph 6.

12. (U) Summary and Key Points. On August 31, Econ Couns met with Shaykh Nimer Al Sabah, Director, Anti-Money Laundering Office, Ministry of Commerce (MoC). Key topics discussed:

- MoC's anti-money laundering campaign, including procedures for monitoring cash transactions, as well as jewelry and gold sales;
- Future plans to enhance MoC's public awareness of AML;
- Request for USG participation in training workshop for members of Kuwait's National Anti-Money Laundering Committee and separately for relevant private sector institutions.

Econ Couns also inquired about the status of the draft amended AML law. Other than confirming that MoC had provided input, and speculating that passing it would be a lengthy process, Shaykh Nimer had nothing to add. End Summary and Key Points.

ID Required to Purchase

13. (SBU) Al Sabah reported that the MoC AML department currently has over 20 employees that conduct both on-site and offsite supervision. The office monitors cash transactions of small to mid-sized businesses including exchange houses, gold merchants, and jewelry shops. MoC has mandated a customer identification collection system that requires businesses to collect and record civil ID numbers on invoices. In order to ensure compliance, MoC says it conducts random unannounced checks of business ledgers against invoices looking for suspicious transactions and civil ID collection. They reported that they conduct checks of approximately 10% of businesses. If a sale is made over 3000 KD, the MoC requires an actual copy of the civil ID. Those businesses that are not compliant are fined.

AML Awareness Campaign

14. (U) MoC plans to extend AML outreach to the community through their new web site and by distributing printed materials. MoC's approach is to provide access to information about AML, build awareness, and educate businesses on the procedures required. MoC is in the process of translating new materials into English, which they feel is the most commonly spoken language among business operators.

15. (U) Shaykh Nimer is coordinating an AML awareness program for government organizations that are part of Kuwait's Anti-money laundering committee. Last year's program had over 200 attendees. He requested USG speakers for the 4-5

day program (seminars and workshops). The conference would take place in late November or early December in order to train on AML best practices. The conference is expected again to have over 200 attendees representing both government and private sector in separate sessions. MoC is seeking a broad range of expertise in order to accommodate the different levels of participants: government officials, administrative staff, and business owners.

16. (SBU) Comment and Action Request: MoC has a process for collecting data and record keeping that seems exceptionally detailed. Shaykh Nimer commented that he had received complaints from several Kuwaitis and business owners, who noted that the regulatory burden was higher than it was in other countries, including the United States. Given the turn down in Kuwait's economy, with several smaller gold shops closing, he expressed his concern about possible push back. Post supports Shaykh Nimer's request for a USG trainer (or team) to present to the National Anti Money Laundering Committee members and to the broader Kuwaiti public. Although the revised AML law has not yet gone to parliament, there is both a need and an interest for public and private sector Kuwaitis to have a better understanding of AML best practices. End Comment and Action Request. End Comment.

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